

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

<b>In re:</b>	)	<b>Case No. 14-44811-399</b>
	)	<b>Honorable Barry S. Schermer</b>
<b>JAMAT, LLC</b>	)	
	)	<b>Chapter 11</b>
<b>Debtor.</b>	)	
	)	<b>ORDER GRANTING EMERGENCY</b>
	)	<b>MOTION FOR ORDER</b>
	)	<b>AUTHORIZING DEBTOR TO</b>
	)	<b>OBTAIN SECURED POST-PETITION</b>
	)	<b>FINANCING PURSUANT TO § 364</b>
	)	
	)	<b>Spencer P. Desai, Esq.</b>
	)	<b>Danielle Suberi, Esq.</b>
	)	<b>Desai Eggmann Mason LLC</b>
	)	<b>7733 Forsyth Boulevard, Suite 2075</b>
	)	<b>St. Louis, Missouri 63105</b>
	)	<b>(314) 881-0800</b>
	)	<b>sdesai@demlawllc.com</b>
	)	<b>dsuberi@demlawllc.com</b>

**ORDER GRANTING EMERGENCY MOTION  
FOR ORDER AUTHORIZING DEBTOR TO OBTAIN  
SECURED POST-PETITION FINANCING PURSUANT TO 11 U.S.C. § 364(c)(2)**

Upon consideration of the Emergency Motion for Order Authorizing Jamat, LLC (“Debtor”) to Obtain Secured Post-Petition Financing Pursuant to 11 U.S.C. § 364(c)(2) (the “Motion”) [Dkt. No. 71]; notice of the Motion and the time to object thereto having been given to creditors and other parties in interest as documented by the Certificate of Service contained in the Debtor’s Notice of Emergency Motion for Order Authorizing Debtor to Obtain Secured Post-Petition Financing Pursuant to 11 U.S.C. § 364(c)(2) [Dkt. No. 72]; no creditor or other party in interest having filed an objection or other written response to the Motion and no objections or responses in opposition to the grant of the relief requested in the Motion having been presented at hearing on the Motion; the Court finds and concludes as follows:

1. The Debtor represents that Debtor’s primary secured creditor is Arsenal Credit

Union (“Arsenal”).

2. The Debtor represents that the Arsenal Secured Debt is secured by a valid, perfected, enforceable, first-priority lien and security interest in Debtor’s inventory, equipment, chattel paper, accounts, general intangibles, consumer goods and proceeds, among other things (collectively, the “Collateral”).

3. The Debtor represents that as of the Petition Date, Debtor owed Arsenal the approximate principal amount of \$500,000.00 pursuant to a Business Loan Agreement and related loan documentation (the “Arsenal Secured Debt”) secured by the Collateral and a Deed of Trust on the real estate located at 2597 Breakwater Drive, Imperial, Missouri 63052 (the “Breakwater Real Estate”) owned by Barry and Valerie Seidel, the Debtor’s principals.

4. The Debtor represents that as of the Petition Date, Debtor also owed Arsenal the approximate principal amount of \$20,826.50 pursuant to an additional promissory note secured by the Collateral and a Deed of Trust on the Breakwater Real Estate (the “Arsenal Junior Debt,” and collectively with the Arsenal Secured Debt, the “Arsenal Indebtedness”).

5. The Debtor represents that as of October 8, 2014, the outstanding principal balance of the Arsenal Secured Debt was \$434,500.00 and the outstanding principal balance of the Arsenal Junior Debt was \$16,645.57. In addition, the Debtor represents that it owes interest, attorneys’ fees, and other charges on the Arsenal Indebtedness.

6. The Debtor seeks authority to obtain new financing to repay and replace the Arsenal Secured Debt. The Debtor represents that, given its current financial position, the Debtor cannot obtain unsecured credit allowable under 11 U.S.C. §503(b)(1) as an administrative expense and that, thus, financing on a post-petition basis is not otherwise available without the Debtor securing, pursuant to 11 U.S.C. §364(c)(2), such indebtedness and obligations with a lien on the Debtor’s assets including inventory and proceeds.

7. The Debtor represents that Financial and Marketing Solutions, LLC (“FMS”) is willing to extend secured post-petition financing to Debtor under 11 U.S.C. §364(c)(2) and that the proposed loan from FMS would pay in full and replace the Arsenal Indebtedness.

NOW THEREFORE, the relief requested in the Motion is GRANTED in that:

A. Debtor is authorized to obtain secured post-petition financing with FMS in accord with the term sheet executed by FMS on November 5, 2014 (the “Term Sheet”), a duplicate of which is attached hereto, designated as Exhibit A, and incorporated herein by reference, in a base principal amount of up to \$450,000.00 on the following terms (the “FMS Loan”):<sup>1</sup>

- i. The interest on the FMS Loan is not to exceed 10.5% interest per annum;
- ii. The FMS Loan shall be one (1) year in duration, with the balance due on the maturity date of November 19, 2015 (the “Maturity Date”);
- iii. Debtor shall be obligated to make three (3) monthly interest payments and monthly principal payments of \$1,000.00, and eight (8) monthly interest payments and monthly principal payments of \$4,000.00, with a final payment of all outstanding principal and interest on the Maturity Date;
- iv. FMS will charge an origination fee of \$10,000.00 at the time of funding with this amount to be in addition to the base principal amount of the loan; and
- v. FMS will charge a loan documentation fee of \$1,200.00 in the event it retains outside counsel.

B. As security for Debtor’s obligations to FMS under the FMS Loan, FMS shall be granted a valid, perfected, first priority lien in all assets of the Debtor and all proceeds thereof, a

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<sup>1</sup>To the extent that any inconsistency exists between the summary of the Term Sheet contained in this Order and the terms of the Term Sheet itself, the terms and language contained in the Term Sheet control.

second deed of trust on the Breakwater Real Estate, and a second deed of trust on the real estate located at 9739 E. Vista Drive, Hillsboro, Missouri 63050. As additional security, Barry Seidel, Valerie Seidel, VBS Enterprises d/b/a Noctova Sleep will guarantee the FMS Loan.

C. Debtor shall use the proceeds of the FMS Loan to pay the Arsenal Indebtedness in full at the time of closing scheduled for November 19, 2014.

IT IS FURTHER ORDERED that, to the extent that the proceeds of the FMS Loan are insufficient to satisfy the Arsenal Indebtedness in full including, without limitation, all principal, interest, attorneys' fees, and other amounts due under the terms of the loan documentation for the Arsenal Indebtedness, the Debtor shall have authority to pay and satisfy the Arsenal Indebtedness from its cash on hand in order to obtain the release of the liens on the Collateral and the Breakwater Real Estate by Arsenal and to effectuate the pledge of the Collateral and the Breakwater Real Estate to FMS. Arsenal shall not be obligated to release the Collateral or the Breakwater Real Estate unless and until the Arsenal Indebtedness has been paid and satisfied in full.


IT IS FURTHER ORDERED that this Order shall be effective immediately upon its entry on this Court's docket and that the stay of validity contained in Federal Rule of Bankruptcy Procedure 6004(h) is hereby waived so that the Debtor may close on the FMS Loan, pay and satisfy the Arsenal Indebtedness in full, and otherwise effectuate the actions authorized by this Order on or before November 19, 2014.

IT IS FURTHER ORDERED that on or before three business days following the entry of this Order, the Debtor shall serve a copy of this Order and shall file a certificate of service within

one business day after service has been made.

DATED: November 10, 2014  
St. Louis, Missouri

cke

  
Barry S. Schermer  
United States Bankruptcy Judge

Order prepared by:

Spencer P. Desai  
Danielle A. Suberi  
Desai Eggmann Mason LLC  
Pierre Laclede Center  
7733 Forsyth Boulevard, Suite 800  
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*Financial & Marketing Solutions  
14830 Brook Hill Drive  
Chesterfield, Missouri 63017*

November 5, 2014

VIA EMAIL AND FIRST CLASS MAIL

Jamat, LLC  
2597 Breakwater Drive  
Imperial, Missouri 63052  
Attn: Barry Seidel

Dear Mr. Seidel:

Financial and Marketing Solutions, LLC ("Lender") is pleased to offer the following financing commitment ("Commitment") for a loan to Jamat, LLC ("Borrower") for refinancing of Jamat's existing secured debt to Arsenal Credit Union. This Commitment supersedes all prior correspondence, commitments, and oral and other communications relating to financing arrangements between Borrower and Lender.

The outline of this offer is as follows:

Borrower: Jamat, LLC

Lender: Financial and Marketing Solutions, LLC

Purpose of Loan: Refinancing of Arsenal Credit Union Loan No. 1200217 dated 12/10/2013 and refinancing of Arsenal Credit Union Loan No. 1200026 dated 1/20/2011

Anticipated Closing Date: 11/19/2014

Loan Amount: \$450,000

Loan Terms: One (1) year term, with balance due on maturity (11/19/2015).

Interest 10.5% per annum

Origination fee of \$10,000 (earned upon funding). Fee to be financed.

Loan documentation fee of \$1200 (if outside counsel retained) paid at funding



Interest payments for 3 months and monthly principal payments of \$1000.

Monthly interest payments and monthly principal payments of \$4000 in months 4-12

Collateral: Lender will have a perfected first lien on all assets of Jamat, LLC and a second deed of trust on the real estate located at 2597 Breakwater Drive, Imperial, MO 63052 and a second deed of trust on the real estate located at 9739 E. Vista Drive, Hillsboro, MO 63050.

Guarantor: Barry Seidel, Valerie Seidel, VBS Enterprises, LLC d/b/a Noctovia Sleep

Conditions Precedent:

- 1) Final Order from the United States Bankruptcy Court, Eastern District of Missouri, Eastern Division, approving financing and acceptable to Lender;
- 2) Legal due diligence, including lien, judgment and tax search;
- 3) Review of lenders title policy for 2597 Breakwater Drive, Imperial, MO 63052;
- 4) Acceptable insurance coverage for 2597 Breakwater Drive, Imperial, MO 63052;
- 5) Review of lenders title policy for 9739 E. Vista Drive, Hillsboro, MO 63050;
- 6) Acceptable insurance coverage for 9739 E. Vista Drive, Hillsboro, MO 63050;
- 7) Authorization from Jamat, LLC and VBS Enterprises, LLC for borrowing;
- 8) Final review and acceptance of Borrower's inventory at Lender's sole discretion;
- 9) Final review and acceptance of Borrower's financial statements at Lender's sole discretion;
- 10) Review of Inventory at Lender's sole discretion;

Fees and Expenses: Borrower responsible for Lender's reasonable expenses in connection with the transaction, whether or not it closes.

Indemnity: Borrower agrees to indemnify and to hold harmless Lender, and its officers, directors and employees against all claims, damages, liabilities and expenses which may be incurred by or asserted against any such person in connection with or arising out of this letter and the transactions contemplated hereby.

Conditions of Acceptance:

This Commitment Letter is intended to be a summary of the most important elements of the agreement to enter into a loan transaction with Borrower, and it is subject to all requirements and conditions contained in loan documentation proposed by Lender or its counsel in the course of closing the loan described herein. Not every provision that imposes duties, obligations, burdens, or limitations on Borrower is contained herein, but shall be contained in the final loan documentation satisfactory to Lender and its counsel. This is not a final commitment and creates no obligation of Lender to make a loan to Borrower on any terms.

EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS LETTER TO THE TRANSACTION DESCRIBED IN THIS LETTER.

Commitment Expiration:

This commitment shall expire at 5:00 pm (CST) on November 19, 2014, unless prior thereto either extended in writing by the Lender or accepted as provided below by the Borrower.

Should you have any questions, please contact me. If you wish to accept this Commitment, please so indicate by signing and returning the enclosed copy of this letter to me by 5:00 pm (CST), November 7, 2014.

Sincerely,

Financial & Marketing Solutions, LLC

By:   
Charles J. Thal, Manager



Accepted this \_\_\_\_ day of November, 2014

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By: Barry Seidel  
Jammat LLC, Managing Member